# Transaction Privilege Tax Changes and News

This publication is an informational notice included with the December 2005 Transaction Privilege Tax Return.

## CITY OF COTTONWOOD

**Effective January 1, 2006:** On October 18, 2005 the Mayor and City Council of the City of Cottonwood passed ordinance number 470. Ordinance 470 increases the Cottonwood City Privilege Tax on Construction Contracting Section 415, 416 and 417 from **2.2% to 3.2%**. The tax on Construction Contracting shall be reported using **CW015**.

The increase imposed by ordinance 470 shall not apply to construction contracts entered into prior to the effective date of the ordinance. Pre-existing construction contracts should be reported using **CW009** at a rate of **2.2%.**

## TOWN OF ORO VALLEY

**Effective January 1, 2006:** On September 7, 2005 the Mayor and Town Council of the Town of Oro Valley passed ordinance number (O) 05-33. Ordinance (O) 05-33 changes the effective date of Ordinance (O) 05-18 **from February 1, 2006 to January 1, 2006**.

Ordinance 05-18 increases the **Additional Tax on Transient Lodging from 3% to 6%**. The Additional Tax on Transient Lodging shall be reported using **Code OR003**. The total Town rate for transient lodging is **8%**, **2%** which is reported using code **OR000** and 6% which is reported using code **OR003**.